

## FTA Authorization Fact Sheet

### **Purpose**

The Section 5309 program is amended to provide funding primarily for Major Fixed Guideway Capital Investment projects (New Starts) and Capital Investment Grants of \$75 million or less (Small Starts). Additional activities include grants to Alaska and Hawaii, as well as the Denali Commission.

### **Eligibility**

Public agencies, including State; municipalities and other subdivisions of States; public agencies and instrumentalities of one or more States; and public corporations, boards, and commissions established under State law.

### **Statutory References**

49 U.S.C. Section 5309 (d) and (e), Section 5309 (m).

### **Features**

The following features of the New Starts program were not changed:

- Basic Criteria: Alternatives Analysis, Justification, Local Financial Commitment.
- Statutory Share (80/20); FTA cannot withhold approval of Preliminary Engineering or Final Design based on proposed federal share.
- Rating of projects (though there were changes in rating levels and criteria).
- Multiyear Full Funding Grant Agreements.
- Annual New Starts Report (Supplemental Report eliminated).

### **The following features were added to the New Starts program:**

- Ridership and cost estimate incentives – higher federal match for those projects whose cost and ridership estimates are within a 10% range of original forecasts.
- Cost control incentive – grantees may keep portion of savings when under runs occur.
- Criteria – new criteria on reliability of ridership and cost forecasts.

### **The following summarize the requirements of the Small Starts program:**

- Grants are for capital costs associated with new fixed guideway systems, extensions, and bus corridor improvements. Requests must be for under \$75 million in New Starts Funds and total project costs must be under \$250 million.
- Small Starts will have a separate funding category beginning in FY 07, starting at \$200 million per year.
- Streamlined criteria and approval process.
- Non-fixed guideway corridor improvements (e.g., Bus Rapid Transit) are allowed under Small Starts.
- Exemption for projects under \$25 million eliminated once Small Starts regulation is final. All projects receiving funding will be analyzed and rated.

Information Courtesy of U.S. Department of Transportation- Federal Transit Administration

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